

LFC Requester:

Simon, Joseph

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/AgencyAnalysis) and email to billanalysis@dfa.nm.gov****(Analysis must be uploaded as a PDF)****SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}***Date Prepared:** 1/16/26*Check all that apply:***Bill Number:** HB 40Original ☒ Correction ☐Amendment ☐ Substitute ☐**Sponsor:** Representative Borrego**Agency Name
and Code****Number:** 366-PERA**Short
Title:** TEMPORARY ERB
MEMBER PAYMENT**Person writing****Analysis:** Anna Williams**Phone:** 505-259-8489 **Email** anna.williams@pera.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
		\$65,500.00	

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Effective July 1, 2026, HB 40 will amend section 22-11-31 NMSA 1978 related to cost-of-living adjustments for certain ERB retirees as follows:

- Qualified pension recipients shall receive an annual, non-compounding, additional payment;
- The additional payment shall be determined by multiplying the amount of annual pension payments, inclusive of all cost-of-living adjustments prior to that fiscal year, by two percent; and,
- The non-compounding annual additional payment will be for the fiscal years 2027 and 2028.

The payments provided by HB 40 will be in addition to the compounding cost-of-living adjustments provided by existing law.

FISCAL IMPLICATIONS

HB 40 should not have an impact to PERA's operating budget.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

HB 40 will not affect PERA's performance measures.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.